

Global Tax Alert

News from Transfer Pricing

Thailand publishes transfer pricing disclosure form

EY Tax News Update: Global Edition

EY's Tax News Update: Global Edition is a free, personalized email subscription service that allows you to receive EY Global Tax Alerts, newsletters, events, and thought leadership published across all areas of tax. Access more information about the tool and registration [here](#).

Also available is our [EY Global Tax Alert Library](#) on ey.com.

Executive summary

The Thailand Revenue Department (TRD) published the Transfer Pricing Disclosure Form (Disclosure Form) on 18 November 2019.¹ Taxpayers with revenue of at least THB200 million (US\$6.6 million)² are required to provide information regarding their related-party relationships and the value of related party transactions on the Disclosure Form.³

The Disclosure Form applies to taxable years beginning on or after 1 January 2019 and must be submitted by 150 days following the year end; accordingly, for calendar year entities, it is due by 29 May 2020.

Detailed discussion

Key information required by the Disclosure Form includes:

1. Related-party information, including names and tax identification numbers for Thai entities, country of incorporation for foreign entities, and whether each related party has transactions with the filing entity.

2. Information regarding any related party transactions,⁴ including the names of the counterparties, the amounts of the transactions classified into operating revenue,⁵ other income, purchases of raw materials/goods, acquisition of land, buildings and equipment, other expenses (further classified into royalty/management fee/technical service fee/commission fee, interest expense, and other expenses), and balances of loans receivable and payable as of the fiscal year end.
3. Other declarations include whether:
 - a. The filing entity is required to prepare consolidated financial statements under accounting standards and if so, the consolidated revenue amount.
 - b. The filing entity has undertaken business restructuring with its related party(ies) during the fiscal year. If yes, whether the business restructuring increased or decreased revenue, cost of goods sold or services, or gross margin of the filing entity.
 - c. The filing entity transferred intangible assets to its related party(ies).
4. Certification⁶ that all information is true and correct and is supported by accounting evidence.

The TRD may use information from the Disclosure Form to identify companies for transfer pricing tax audits. Thai companies should review their Thai transfer pricing positions and documentation to ensure the arm's-length principle is supported.

Endnotes

1. In accordance with the new Transfer Pricing Act, see EY Global Tax Alerts, [Thailand enacts Transfer Pricing Act](#), dated 3 December 2018.
2. The term "related parties" is defined as two or more legal entities with one of the following relationships:
 - i. One party directly or indirectly holds 50% or more of the capital of the other.
 - ii. The same shareholder directly or indirectly holds 50% or more of the capital of both parties.
 - iii. The parties have a dependent relationship through participation in capital, management, or control of the other entity, as defined in the Ministerial Regulations.
3. The Disclosure Form can be retrieved from the Revenue Department website.
4. No details of transaction reporting thresholds have been released.
5. Operating revenue includes revenue from sales, services, commission fees, and similar items.
6. By the director, partner or manager, as applicable.

For additional information with respect to this Alert, please contact the following:

EY Corporate Services Limited, Bangkok

- ▶ Yupa Wichitkraisorn yupa.wichitkraisorn@th.ey.com
- ▶ Papatchaya Akkararut papatchaya.akkarakut@th.ey.com
- ▶ Jonathan Stuart-Smith jonathan.stuart-smith@th.ey.com
- ▶ Hirohisa Furuse hirohisa.furuse@th.ey.com

Ernst & Young LLP (United States), Thai Tax Desk, New York

- ▶ Sarunya Sutiklang-viharn sarunya.sutiklang-viharn1@ey.com

Ernst & Young LLP (United States), Asia Pacific Business Group, New York

- ▶ Chris Finnerty chris.finnerty1@ey.com
- ▶ Kaz Parsch kazuyo.parsch@ey.com
- ▶ Bee-Khun Yap bee-khun.yap@ey.com

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

Transfer Pricing Group

© 2019 EYGM Limited.
All Rights Reserved.

EYG no. 005392-19Gbl

1508-1600216 NY
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

ey.com